PERIODIC PAYMENT REQUEST
401(k) PLAN

Select one of the following options:

- ☐ **I am initiating a new periodic payment plan.**
- ☐ **I am initiating a new periodic payment plan and a lump sum distribution at the same time. I have attached my completed Lump Sum Distribution Request to this Periodic Payment Request.**
- ☐ **I am changing my existing periodic payment plan.**

STATE OF TENNESSEE 401(k) PLAN	98986–02

PARTICIPANT INFORMATION

☐ Check this box if you are a beneficiary of a deceased participant.
Are you a: ☐ Spouse ☐ Non–Spouse

Last Name / First Name MI

Address – Number & Street

City / State / Zip Code

( ) Home Phone ( ) Work Phone

Social Security Number

Mo Day Year
Date of Birth

Account Extension (if applicable)
See Information section.

Are you a US Citizen or Resident Alien?
☐ Yes ☐ No

Note: If you checked no, please read the Information section for instructions.

ALTERNATE MAILING ADDRESS

Complete this section only if you elect a payout and you want the check mailed to a residential address OTHER than the one listed above.
Note: You may NOT designate a bank or financial institution in this section.

Address: City: State: Zip Code:

REASON FOR PAYMENT

☐ Separation from service on: Last Paid Date

(If your separation from service was due to disability, see the Information section for important information.)

☐ Age 59½

☐ Payments to non–spouse beneficiary
- ☐ The Death Benefit Claim form is attached
- ☐ I previously filed a Death Benefit Claim form

☐ Payments to spousal beneficiary
- ☐ The Death Benefit Claim form is attached
- ☐ I previously filed a Death Benefit Claim form
- ☐ I previously filed a Spousal Beneficiary form

Note: Beneficiaries who have not previously completed a Death Benefit Claim form or a Spousal Beneficiary Request form should complete the Death Benefit Claim form in addition to this form.

Last Name	First Name	MI	Social Security Number

PERIODIC PAYMENT OPTION ELECTION

Complete Parts A & B

Select a payment option and a frequency of payments and provide all applicable information. **Your payments will be taken proportionately from all of your investment options unless otherwise indicated in Part A. NOTE:** If you would like to take a lump sum distribution, complete a Lump Sum Distribution Request form instead of this form. For minimum distribution, complete the Automated Minimum Distribution Request form instead of this form. If you are requesting an initial partial distribution in addition to a periodic payment, you MUST check the box at the top of Page 1.

Part A – SELECT OPTION (See the *Withdrawing Funds at Retirement* brochure.)

☐ 1. **PAYMENTS OF A SPECIFIED AMOUNT**

Income of a specified amount $ ______

Minimum $50.00

Frequency: ☐ **Monthly** ☐ **Quarterly** ☐ **Semi–Annually** ☐ **Annually**

☐ Process my distribution proportionately from all of my available investment options/money types.

OR

☐ Process my request as shown below:

INDICATE FROM WHICH INVESTMENT OPTION(S) PAYMENTS SHOULD BE DISTRIBUTED

INVESTMENT OPTION(S) SELECTION Refer to your statement or check with your representative for available investment options.	PLEASE CHECK: % ☐ or $ ☐

If any of the funds you choose for your payout have an account balance that is less than your payout amount, the payout will be taken proportionately from all remaining funds.

☐ 2. **PAYMENTS OF A SPECIFIED PERIOD**

Income for a specified period: Number of payments ______

(Payments will be taken proportionately from all available investment options.)

Frequency: ☐ **Monthly** ☐ **Quarterly** ☐ **Semi–Annually** ☐ **Annually**

☐ 3. **INTEREST ONLY PAYMENTS**

Until age 70½, then convert to minimum distribution. Please attach a copy of your birth certificate or a copy of your driver's license as proof of age.

100% of account balance MUST be in guaranteed investment options.

Frequency: ☐ **Monthly** ☐ **Quarterly** ☐ **Semi–Annually** ☐ **Annually**

Part B – SELECT PAYMENT START DATE

BenefitsCorp, Inc./Great–West **must** receive this request at least **30 days before** the payment start date for all payment options. The payment start date is the date the funds will be withdrawn from your account. Checks will be mailed the following business day. For electronic transfers, your payout will be transferred to your financial institution within two business days after your payout date. If the payout date falls on a weekend or holiday, it will be processed on the following business day. The actual effective date on which funds will be distributed from the investment option(s) in your account may vary depending on the investment option(s) selected.

PAYMENT START DATE: ______ Mo Day Year

NOTE: You may NOT select the 29th, 30th or 31st as a payout date. If you select the 29th, 30th or 31st, your payment start date will be the 28th.

Please allow several days from your Payment Start Date for delivery of your check.

DISTRIBUTION DELIVERY

Complete if applicable

❑ **ACH** ❑ Checking Account ❑ Savings Account

Financial Institution Name	Account Number	ABA Number

Financial Institution Mailing Address	City	State/Zip Code

Attach VOIDED check or deposit slip here.

Last Name First Name MI Social Security Number

OUTSTANDING LOAN

Complete if applicable

Outstanding loans must be paid off or treated as taxable distributions before you may elect any option on this form. Please check appropriate box below:

☐ A check is attached to pay off my loan. (Please contact your representative for a loan payoff amount.)

☐ No check is attached. I understand that the entire outstanding loan balance will become a taxable distribution at this time.

INCOME TAX WITHHOLDING

Complete as applicable

Complete either Part A or Part B below depending on the type of distribution you are requesting. You must also **complete Part C** for state income tax withholding.

FEDERAL

For further information, read the Special Tax Notice.

Part A – FOR DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER

This includes: (1) minimum distribution payout option, (2) payments to non–spouse beneficiaries, and (3) periodic payments with a duration of 10 years or more.

Elect one of the following:

☐ Please do not withhold federal income tax.

☐ Please withhold federal income tax based on the following:

Number of allowances claimed: ______ Marital status: ☐ Single ☐ Married

Additional amount to be withheld $______ (in excess of that provided by marital status and allowances indicated)

If you do not elect out of withholding on a distribution not eligible for rollover, or the information above is not completed, withholding will be based on a withholding status of married with three withholding allowances.

Part B – FOR DISTRIBUTIONS ELIGIBLE FOR ROLLOVER

For distributions of less than 10 years, except certain payments made on or after January 1 of the year during which the participant attains age 70½.

A 20% mandatory federal income tax withholding will apply to all individual taxable distributions.

Additional amounts may be withheld at your request: $______

The IRS may impose an additional 10% tax penalty for withdrawals by participants under the age of 59½.

INCOME TAX WITHHOLDING APPLICABLE TO PAYMENTS DELIVERED OUTSIDE OF THE US – If you are a US citizen or resident alien and your payment is to be delivered outside the US or its possessions, you may not elect out of federal income tax withholding.

If you are a nonresident alien, and your payment is to be delivered outside the US or its possessions, you must attach IRS Form W–8BEN. The withholding rate applicable to your payment is 30%, unless you elect a reduced rate of withholding on Form W–8BEN because your country of citizenship has entered into a tax treaty with the US. To obtain the IRS Form W–8BEN, call 1–800–TAX–FORM.

Contact your tax professional for more information.

Part C

STATE

If you live in a state that mandates state income tax withholding, it will be withheld. Do you wish to have an amount <u>in excess</u> of the required amount withheld?

☐ Yes If yes, indicate amount $______

☐ No

If you live in a state that does not mandate state income tax withholding, but you want to have state income tax withheld, please check this box and complete the blank.

☐ Yes, please withhold the <u>greater</u> of my state's minimum voluntary withholding amount or $ ______.

Note: Tennessee does not currently have a state income tax. No state tax will be withheld if you live in Tennessee.

Last Name	First Name	MI	Social Security Number

INFORMATION

INCOMPLETE OR INACCURATE INFORMATION – In the event that any section of this form is incomplete or inaccurate, BenefitsCorp, Inc./Great–West may not process the transaction requested on this form and may require that you complete a new form or provide additional or proper information before the transaction is processed.

CHANGES TO THIS REQUEST – If you need to cross out a previously elected choice(s), you MUST initial the change or the request may be returned for verification.

ACCOUNT EXTENSION – Account extension “002” should be used for an account that was transferred to you through your spouse’s death. If you have your own State of Tennessee 401(k) account in addition to a spousal transfer account and you leave this line blank, BenefitsCorp, Inc./Great–West will process this distribution request from your own account.

DISTRIBUTIONS FOR REASON OF DISABILITY – If you are disabled as defined by Internal Revenue Code §72(m)(7) and the applicable regulations, your distribution is not subject to a premature distribution penalty tax which would otherwise apply if you are under age 59½. If you believe that you qualify for this exemption but are not retired under TCRS disability provisions, you may file IRS Form 5329 with your federal tax return. If you are retired under TCRS disability provisions, please contact the client service center to ensure your disability benefit is tax reported correctly.

NOTARIZATION

For your protection the law requires the following statement to appear on this form.

IMPORTANT NOTE: Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

My signature acknowledges that I have read this entire form, that I understand its contents, agree to its provisions, and affirm that all information that I have provided is true and correct. Further, I acknowledge that I have received the Special Tax Notice I understand that it is my responsibility to ensure that the option selected at this time will later meet the minimum distribution requirements of the Internal Revenue Code §401(a)(9), when required.

______________________________________ ___________
Participant/Beneficiary Signature **Date**

Participant forward to:
BenefitsCorp, Inc./Great–West
545 Mainstream Drive, Suite 407
Nashville, TN 37228

Phone #: 1–800–922–7772

Statement of Notary

The above election was subscribed before me by

State of__________________) ____

) ss.

County of ________________) on this ________ day of ______________ , year _______ , who affirmed

that such election represents his/her free and voluntary act.

SEAL

Notary Public ______________________________ My commission expires: __________

PLAN APPROVAL

I certify that I have verified any information applicable to the processing of this form.

______________________________________ ___________
Registered Representative Signature and ID **Date**

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS FROM SECTION 401(a)/(k) PLANS OR SECTION 403(b) TAX SHELTERED ANNUITIES

This notice explains how you can continue to defer federal income tax on your retirement savings in your Plan and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by BenefitsCorp, Inc./Great−West Plan Administrator because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit−sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax−sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after−tax amounts. If this is the case, and your distribution includes after−tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator at 1-800-922-7772 .

SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

(1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or

(2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, <u>you must find other money to replace the 20% of the taxable portion that was withheld.</u> If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

<u>Your Right to Waive the 30−Day Notice Period.</u>
Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30−day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by your Plan Administrator.

MORE INFORMATION

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments cannot be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

Hardship Distributions. A hardship distribution cannot be rolled over.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.
The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than $200.00.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten−year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax−sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."

III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000.00, only $8,000.00 will be paid to you because the Plan must withhold $2,000.00 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty−Day Rollover Option" below), you must report the full $10,000.00 as a taxable payment from the Plan. You must report the $2,000.00 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.00.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty−Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan. You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60−day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

> Example: The taxable portion of your payment that can be rolled over under Part I above is $10,000.00, and you choose to have it paid to you. You will receive $8,000.00, and $2,000.00 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000.00,you may roll over the entire $10,000.00 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000.00 you received from the Plan, and you will have to find $2,000.00 from other sources (your savings, a loan, etc.). In this case, the entire $10,000.00 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000.00, when you file your income tax return you may get a refund of part or all of the $2,000.00 withheld.

> If, on the other hand, you roll over only $8,000.00, the $2,000.00 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000.00 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.00.)

Additional 10% Tax If You Are under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities", below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self−employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten–Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one–time election to figure the tax on the payment by using "10–year averaging" (using 1986 tax rates). Ten–year averaging often reduces the tax you owe.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax–sheltered annuity contract, a governmental 457 plan or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax–sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax–sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

IV. SURVIVING SPOUSES AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1–800–TAX–FORMS.